



## PRECIOUS METAL RESOURCES LIMITED

Precious Metal Resources Limited  
ACN 145 105 148

Level 2, 131 Macquarie Street  
Sydney NSW 2000  
Tel: +61 2 9251 7177  
Fax: +61 2 9251 7500

**Contact**  
Michael Leu  
Managing Director

Email: mleu@pmrl.com.au

**Latest News**  
www.pmrl.com.au

### Directors / Officers

John Dawkins AO  
Non-Executive Chairman

John Foley  
Non-Executive Deputy Chairman

Michael Leu  
Managing Director

Peter Kennewell  
Chief Geologist

Bruce Dennis  
Non-Executive Director

Peter Meers  
Non-Executive Director

**ASX Symbol: PMR**

### JORC STATEMENT

The information in this report that relates to mineral exploration is based on information compiled by Peter John Kennewell, who is a member of the Australasian Institute of Mining and Metallurgy. Peter John Kennewell is a director of Precious Metal Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Identified Mineral Resources, and Ore Reserves". Peter John Kennewell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**References to Mines** refer to historical mines and geographical names, no inference should be made that Sovereign Gold is operating any mines at this stage of its development.

## BHP data supports SEDEX hypothesis on PMR tenements

- **BHP identified black pyritic shales in Halls Peak plateau area**
- **Fractures carry anomalous values of base metal mineralisation**
- **VTEM conductive horizon below BHP drill hole**
- **Consistent with mineralisation in SEDEX system**

Fractures up which base metal bearing fluids have vented were shown by BHP drilling in 1969 to carry anomalous values of base metal mineralisation. This suggests that the conductive horizon, shown on the recent VTEM survey is present at a depth of 500 metres beneath the drill hole (figure 1), is a source of these base metals.

One such fracture was penetrated by hole BHP PDH 5, and cuttings from between 48 and 49 metres carried 0.2% zinc, 0.1% Copper and 0.1% lead within a 4 metre zone of anomalous mineralisation.

The spread of the base metals onto the surrounding sea floor is evidenced by two other drill holes, one also drilled by BHP in 1974, and the other by CRA in 1979. Both were located less than a kilometre from the fracture which vented the mineralisation and both terminated in pyrite-bearing black shales carrying anomalous base metals.

### BHP PDH 8

Depth	Interval	Lead	Zinc	Copper
(m)		(ppm)		
21 - 44	23	56	399	53
44 - 62	18	189	393	70
62 - 68	6	250	1064	426
68 - 71 (end of hole)	3	2900 (0.29%)	5250 (0.53%)	1375 (0.14%)

**Table 1:** Assays from hole BHP PDH 8

CRA's comments on these results were: "This drill hole shows a typical mineral zoning which might be expected above a base metal massive sulphide lens." (GS1979/142).

The nearby cored hole, CRA 78 HPC 1, penetrated pyritic mudstone (pyrite content estimated between 0.5 and 7%) over 36.4 metres, continuing from 83.5 metres to the base of the hole.

This zone, and the mineralisation intersected at the base of BHP PDH 8, may be represented on the Resistivity Depth Image by the broad zone of yellow colour at shallow depth. This is apparently lying above the red conductor (possibly produced by base metal mineralisation) on the Conductivity Depth Image.

Mapping in the field by CRA confirmed the relatively flat lying nature of the rock beds throughout this area, and identified several areas in which gossans (weathered mineralised rocks), cropped out. These were classified into two types:

"Type 'A' gossans occur in the black shales and contained up to 0.5% lead, 0.2% zinc and 0.15% copper. These were considered derived from the oxidation of massive sulphide.

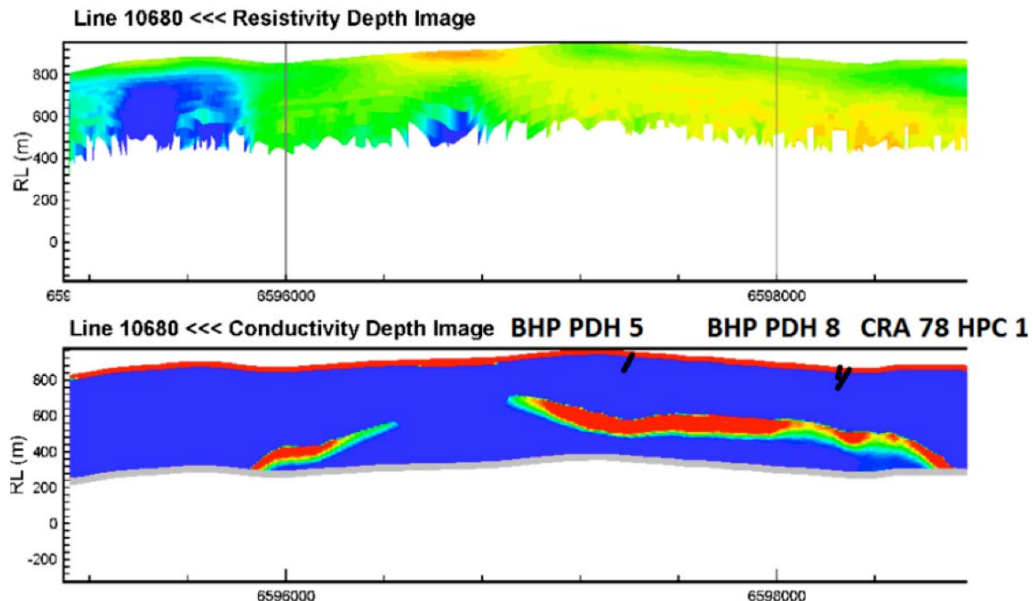


Figure 1. Resistivity and Conductivity Depth Images relative to the BHP and CRA drill holes

Type 'B' gossans also contain high lead, zinc and copper values, but they are believed to occur in fault zones and probably represent 'leakage' mineralisation which has migrated out of the black shale horizon. At one occurrence of the type 'B' gossan several 5mm galena [lead sulphide] crystals occur in milky quartz, giving support to this view.

The relationship of these gossans to the drill holes, and the base metal assay values reported from them are shown in Figure 2.

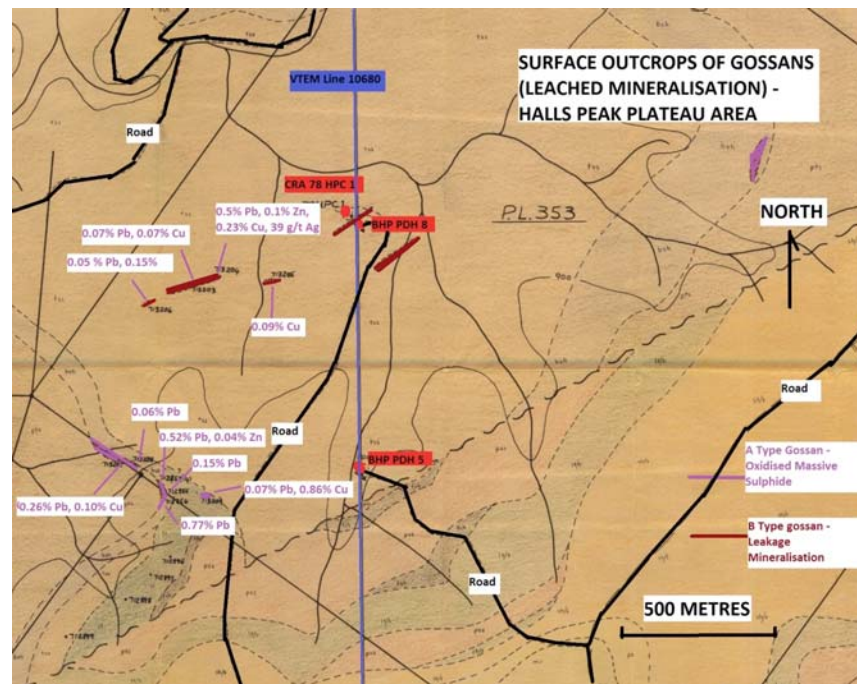
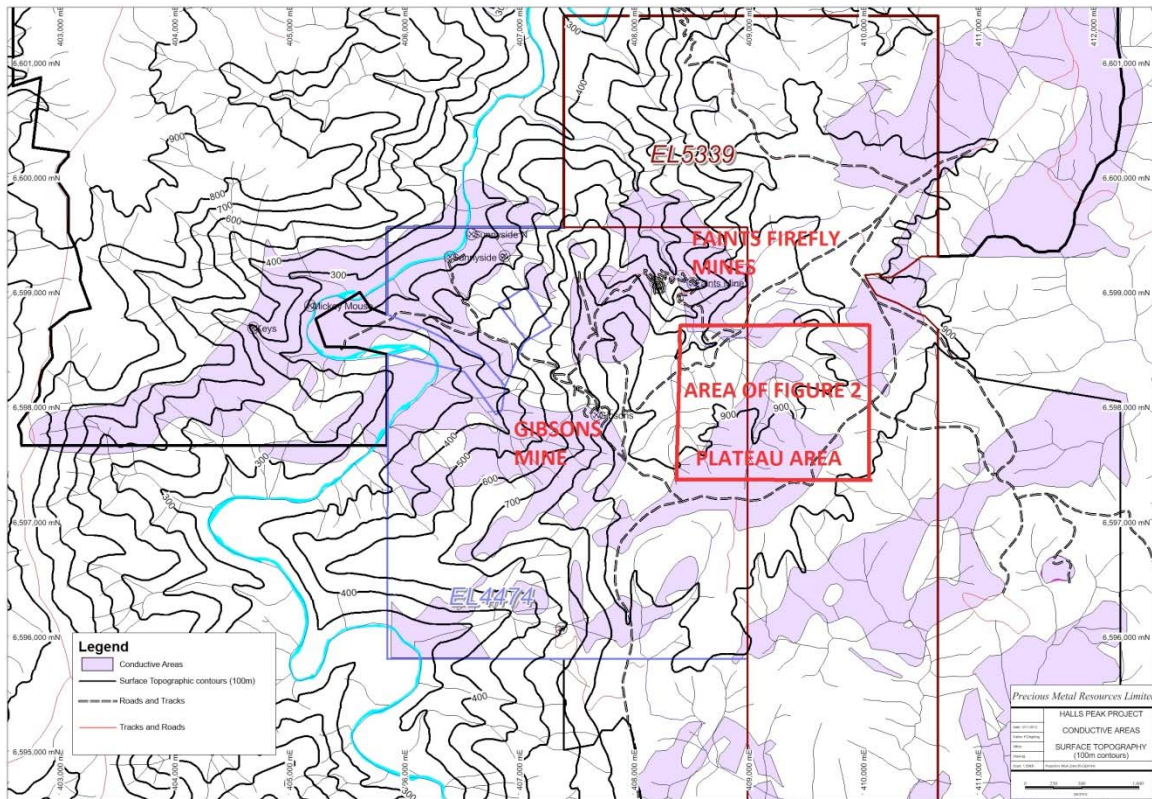


Figure 2. Gossan Grades, Plateau Area

The pyritic black shale beds in which holes BHP PDH 8 and CRA 78 HPC 1 were terminated are typical of the upper parts of SEDEX base mineral systems. In some provinces throughout the world large lenses of high grade mineralisation are present within such beds at depth. An interpretation of the conductive horizon (shown in red on the Conductivity Depth Image) as a base metal bearing bed is consistent with the expected place of base metal lenses within a SEDEX mineralising system.



**PRECIOUS METAL RESOURCES LIMITED**



**Figure 3.** Location map, showing extent of conductive horizon

**For further information please contact:**  
Michael Leu, CEO

Telephone: +61 2 9251 7177

**SAMPLE METHODOLOGY**

BHP PDH 5, BHP PDH 8 and CRA 78 HPC 1 were drilled in the Plateau Area, 1.5 kilometres east of Gibsons Mine. Details of the intersections are:

Hole	BHP PDH 5	BHP PDH 8	CRA 78 HPC 1
<b>Coordinates</b>	409100 E, 6597400 N	409143 E, 6598309 N	409124 E, 6598309 N
<b>Azimuth</b>	160 deg. Mag.	180 deg. Mag.	160 deg. Mag.
<b>inclination</b>	60 deg.	60 deg.	60 deg.
<b>True Thickness</b>	48 - 49 m: 0.87 m	21 - 44 m: 20.0 m 44 - 62 m: 15.7 m 62 - 68 m: 5.2 m 68 - 71 m: 2.6 m	83.5 - 119.9 m: 31.7 m
<b>Total Depth</b>	69 m	71 m	119.9 m
<b>Recovery</b>	Percussion Drilled	Percussion Drilled	100%

Assay sampling methods and assay methods are uncertain. Zinc Corporation assayed CRA 78 HPC 1 and gossan samples. BHP assay laboratory is unknown.

**JORC Code Compliant Public Reports**

This announcement contains information relating to exploration results that were determined prior to the implementation of the JORC Code. It is uncertain that following evaluation and/or further exploration these results will be replicated. PMR is confident of the efficacy of the results as reputable public listed companies reported them.

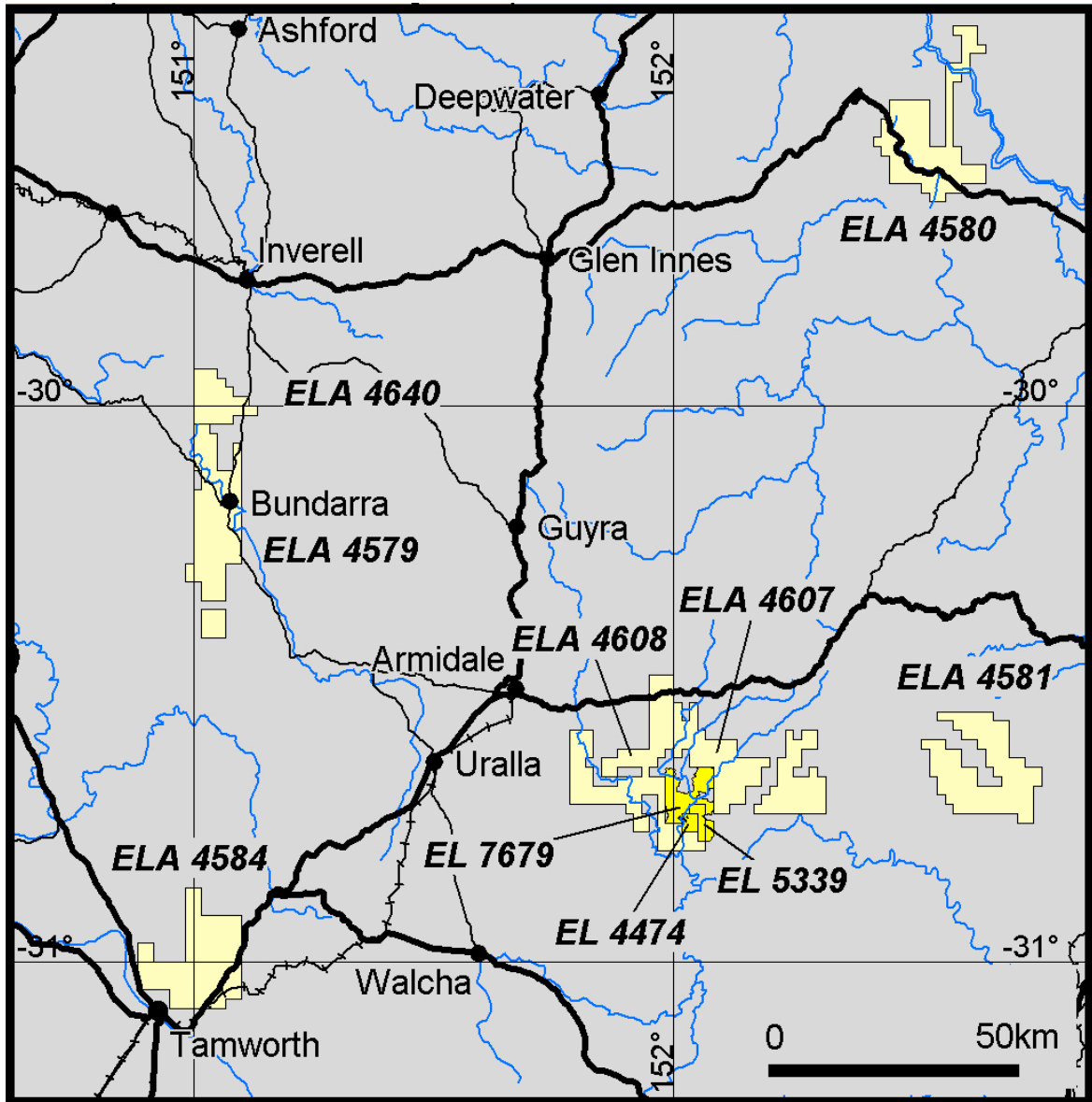
The summaries are made in, or based on, statements made in previous geological reports, which are publicly available (with or without payment of a fee) from a government department, authority or agency of an Australian State or Territory of the Commonwealth; or the ASX.





## PRECIOUS METAL RESOURCES LIMITED

A bibliography of the reports on which the summaries are based will be provided free of charge, to any person who requests it.



Location map of PMR (Armidale) licences and applications